Skilled human resources key to business growth

Rahmat Roslan Hashim, HR head of Standard Chartered Bangladesh, says employees should adapt to change in business

MD FAZLUR RAHMAN

HUMAN resources departments were not seen as part of the core group in most companies in the past.

The HR department's role has evolved over the years as companies are demanding more from HR managers so they hire the best, mould them in line with the companies' objectives and put the right skill sets in the right place.

"In the past, HR role was primarily administrative in nature, dealing mostly with employees' salaries and overtime bills," said Rahmat Roslan Hashim, head of human resources at Standard Chartered Bangladesh.

"But today, HR has evolved as a business partner of an organisation. We sit down and discuss strategy of human resources, particularly on their capabilities and capacities, for them to run the organisation effectively," he told The Daily Star in an interview in Dhaka recently.

He joined the Asia-focused British bank in 2004. He has worked as country head of human resources for the bank in markets including Malaysia, Brunei, the Philippines and Indonesia.

He has also held senior positions within the HR function at Permata Bank, Citibank, Dumex Malaysia and Matsushita Industrial Corporation. He joined Standard Chartered's Bangladesh operations in September last year.

Hashim said HR plays an important role in the growth of business. The HR department of the bank is fully engaged with the entire strategy of the business and adds value to it, to ensure that employees are trained in line with the organisation's goals.

"We must ensure that employees are equipped with skills needed to adapt to business change. We closely work with other departments to position our right people and right skill sets in the right place."

HR has evolved over the years, and in the coming years it will transform further with technology playing an important role, he said.

Rahmat Roslan Hashim

Hashim said apart from branding and products, people are important for any organisation.

About the HR practices, he said the bank hires the best -- it can be mid-career hiring or fresh from schools. "We train them. We develop our people and we make sure that they know our vision and mission."

The brand name makes Standard Chartered an employer of choice, he said.

Hashim said although the bank works to develop talents by providing on the job training and creating opportunities to grow, it depends mostly on the aspiration of employees on how far they want to go.

About the career growth opportunity at the bank, he said the opportunity is there. It is up to individuals to use it.

An employee from the bank's HR department is now the head of its Europe and American markets. "We can see people who started from teller or private secretary levels are now leading some business segments globally."

Currently, 78 Bangladeshis are working for the bank in different countries.

Standard Chartered has an international graduate programme. Under the scheme, it offers graduates opportunities across its footprint in Asia, Africa and the Middle East, as well as Europe and the Americas.

The international graduates are selected through a very rigorous assessment process. Once selected, the international graduates enter the bank's global network by participating in a one-year programme.

"These graduates are seen as the future leaders of the company. They are exposed to other markets in order to help them understand working conditions in other countries, practices and technologies," said Hashim.

He said the programme is purposefully rigorous as the bank seeks "the best from the best". A significant number of international graduates are holding key positions regionally and globally.

He said the pass rate from graduates who apply from Bangladesh is very high compared to graduates in other countries such as Malaysia, Thailand and Indonesia, and to some extent Singapore.

"This is something we should be proud of. This means there is a supply of quality human resources in Bangladesh."

Hashim said the most important challenge confronting HR managers today is to retain talents. "Secondly, if there is attrition, we make sure that it is not our talents or future talents that exit from the organisation."

He said other banks, particularly in Bangladesh, are also growing, which is a challenge in retaining employees.

"When companies grow and decide to hire they tend to look at organisations which are doing well. As a consequence, we can be a victim of our own success."

At present, more than two dozens of managing directors, and deputy and additional managing directors in Bangladesh's banking sector have experience of working at Standard Chartered.

He said the Bangladesh franchisee of the British bank does not have to cut jobs despite the group's efforts to reduce costs to improve profitability. "We are growing and we are hiring."

Hashim said the bank's HR practices in Bangladesh are the best in the industry. "But it is a journey too, not static as every time there is a new thing and new challenge and there is a lot of room to improve."

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Scan the QR code to watch the video of the interview

Scandal hearings put S Korea tycoons in hot seat

AFP, Seoul

South Korea lawmakers on Monday kicked off an unprecedented series of hearings that will see the country's business elite grilled over a corruption scandal engulfing impeachment-threatened President Park Geun-Hye.

The powerful heads of family-run conglomerates, or "chaebols," such as Samsung and Hyundai will be among those testifying before a parliamentary investigation ahead of an impeachment vote to remove the president on Friday.

The hearings opened on the back of a series of mass anti-Park demonstrations in Seoul that have seen millions of people take to the streets.

Park is accused of colluding with her long-time friend, Choi Soon-Sil, to strong-arm giant corporations into "donating" nearly $70 million to two dubious non-profit foundations.

Choi has been indicted for coercion and abuse of power, and is accused of syphoning some of the donated funds for personal use. She denies all criminal charges. Choi had been summoned for questioning at the televised hearings, but made it clear Monday she would absent herself, citing health grounds. Lawmakers said she faced jail time for contempt if she failed to appear.

Tuesday's testimony will be devoted to interrogating the corporate tycoons, including Samsung group scion Lee Jae-Yong, Hyundai chairman Chung Mong-Koo and seven heads of other conglomerates like LG, Lotte, Hanjin and CJ.

They are among the wealthiest and most powerful people in the country, but the "Choi-gate" scandal has taken the lid off simmering public resentment over their influence and perceived sense of privilege at a time of slowing economic growth

According to company sources cited by the largest-circulation newspaper, Chosun Ilbo, many of them have been going through frantic preparations to avoid any public humiliation, holding mock question and answer sessions with aides and memorising responses to sensitive issues.

Some researched subway and bus fares in case they are asked to prove their common-touch credentials, while others sent managers on recces to the national assembly -- timing the walk to the hearing room and working out routes to avoid the press, Chosun said.

Chaebol heads are unused to being questioned or held accountable -- even to their shareholders.

"It is part of the deep-rooted, twisted corporate culture in South Korea to treat founding family members as if they are royalty," said Shim Jung-Taik, an author of several books on Samsung and its corporate culture including a biography of its ailing chairman, Lee Kun-Hee.

Italian banks on knife edge as Renzi quits

AFP, Milan

THE fate of key Italian banks was up in the air Monday as investors feared that Prime Minister Matteo Renzi's resignation will threaten their recapitalisation plans.

Concern focused on Italy's third-biggest bank, Monte dei Paschi di Siena (BMPS), which analysts said is one of the country's most vulnerable large lenders.

Banking stocks went through a rollercoaster ride on the Milan bourse following Italian voters' rejection of constitutional reform that prompted Renzi's announcement that he would quit.

They opened sharply lower Monday, and then recovered, before plunging again, with UniCredit down 3.2 percent, Banca popolare di Milano 2.4 percent, Banco popolare 2.0 percent and Mediobanca 1.3 percent approaching midsession.

BMPS, which is the world's oldest bank, has lost 84 percent of its market capitalisation since the start of the year. It also emerged as the worst performer from European Banking Authority (EBA) stress tests in July.

To ensure its survival, the bank has launched a plan involving the spinoff of 27.6 billion euros ($29.4 billion) worth of non-performing loans, combined with a capital increase of up to five billion euros. But the question is now whether lingering political uncertainty will scare investors off.

"If there is no solution to the government crisis within a couple of weeks, financial markets will start getting jittery again," said Lorenzo Codogno, a former Italian Treasury official and now a professor at the London School of Economics.

"Probably the capital increase of Monte Paschi will be postponed or outright cancelled, and all other operations would be stalled."

While investors focus mostly on BMPS for now, the rest of the sector is far from immune to further panic, analysts said, pointing to the Milan's FTSE All-Share banking index, which has lost 47 percent of its value since January.

The referendum result is adding to deep worries about the failure of the Italian banking sector -- which features no fewer than 700 banks -- to make meaningful progress towards consolidation. And this, despite non-performing loans on their books amounting to a combined 360 billion euros, roughly a third of the eurozone's total bad debt.

Ahead of the referendum, BMPS managed to raise one billion euros via a voluntary conversion of bonds into capital. But all bets are off for the remaining four billion.

"The real risk lies with Monte dei Paschi di Siena. It's easy to imagine that investors who wanted to take part in the capital increase will now take a step back," said Umberto Borghesi, fund manager at Albemarle Asset Management.

"What is needed is a clear response on any government intervention, bail-in decision or any other solution," he said.

A "bail-in" forces existing creditors to write off part of their claims. "No political formation can shoulder the responsibility of Monte dei Paschi failing," Borghesi said.

If investors really get cold feet, then UniCredit, Italy's biggest bank, could be the next giant to feel the pain, analysts said, as it undergoes a massive strategy review.

REUTERS

Supporters of the "No" faction for a referendum on constitutional reform hold placards in front of Chigi palace in Rome yesterday.

Business not doing enough to stop destroying forests

REUTERS, Barcelona

GLOBAL companies that produce and use commodities such as palm oil and soy are moving too slowly to cut deforestation, suggesting international goals to protect forests will not be met, groups that monitor business efforts said on Monday.

Agricultural products - including beef and paper - account for over two thirds of tropical deforestation worldwide, said the Global Canopy Programme.

Its third annual assessment - tracking the policies of 500 companies, governments and financial institutions that have the most influence on tropical forests - suggests that ambitious 2020 and 2030 goals to protect those forests are unlikely to be achieved.

"More needs to be done to increase the rate of change, and uptake of these policies," said Tom Bregman, who manages the "Forest 500" project. "You're not even getting to the policies being in place, let alone implementation by 2020, so clearly there is still a long way to go."

The 2014 New York Declaration on Forests set a goal to at least halve the rate of loss of natural forests globally by 2020, and strive to end it by 2030.

The declaration also pledged to help the private sector eliminate deforestation from the production of agricultural commodities by 2020.

The results of the 2016 Forest 500 assessment show that 57 percent of the 250 companies tracked have either weak policies or no policies at all to curb deforestation in their operations.

In the last three years, the number of companies with policies to cut deforestation in the production of each forest-related commodity they use increased by only 5 percent.

Bregman said that unless more companies apply such broad policies, "you're not going to get to the holistic, deforestation-free planet we desire".

Loopholes must be closed that displace deforestation to places with less stringent regulations, and allow companies that clear forests to sell to buyers without environmental standards, the Global Canopy Programme said.

A separate report, also released on Monday, revealed that multi-nationals such as Colgate-Palmolive, L'Oréal and McDonald's depend on palm oil, soy, timber and beef products for nearly a quarter of their revenues, on average.

That means up to $906 billion in annual turnover is at risk for those companies listed on the stock exchange if the commodities cannot be produced sustainably into the future.

CDP, which gathers data from companies on their actions to combat climate change, said 72 percent of the 187 companies that disclosed information on deforestation this year were confident they would be able to source supplies securely and sustainably in the future.

"But when you delve down into the responses and data, we have reason to believe that this confidence could be misplaced," warned Katie McCoy, head of forests at CDP, formerly the Carbon Disclosure Project.

For example, fewer than half of companies have evaluated how the availability or quality of agricultural commodities will impact their growth over the next five or more years, CDP said. And only 30 percent can trace the commodities they produce or use back to the point of origin.

CDP said the risks to business profits include the impacts of climate change on the supply and price of commodities, the potential tightening of regulation, and brand damage as scrutiny of commodity-sourcing practices by media and citizens grows.

Some four-fifths of agricultural producers said they had experienced substantial deforestation-linked problems in the last five years, such as drought hitting beef production in Brazil or consumer pressure for greener palm oil supply chains in Southeast Asia.

"These supply chain impacts will increasingly be felt," McCoy told the Thomson Reuters Foundation. "Companies are not really doing enough to manage those risks in a way that will mean they will have (a) sustainable supply going into the future."

The two groups urged investors and governments, in both exporting and importing countries, to step up support for companies to achieve deforestation-free supply chains.

Euro zone business growth hits fastest this year; inflation up

REUTERS, London

Euro zone business activity grew at its quickest pace this year in November and firms, which benefited from a weaker euro, raised prices faster than at any time in five years, a survey found on Monday.

Policymakers at the European Central Bank this week are expected to announce a six-month extension to their asset purchase programme to try to boost inflation, further denting the currency and offering support to exporters.

IHS Markit's final composite Purchasing Managers' Index for the euro zone was 53.9 in November, below a 54.1 flash estimate but beating October's 53.3 and its highest since December. The index has been above the 50 mark that divides growth from contraction since mid-2013. "The composite PMI was revised down slightly but it's still consistent with a pickup in euro zone GDP growth which is quite positive," said Stephen Brown at Capital Economics.

Adding to the more upbeat picture, retail sales rose more than expected in October, official data showed earlier. The PMI for the dominant services industry jumped to 53.8 from 52.8, below the flash 54.1 but its highest level this year. Manufacturers enjoyed their best month since the start of 2014 in November, a sister survey showed last week.